

## Smith, Kelley

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**From:** Richard Schroeder [rs@bio-resource.com]  
**Sent:** Sunday, July 13, 2008 9:22 AM  
**To:** Ohlsen, Michael  
**Subject:** RE: S0386 - FBEC Grant Agreement

Michael, I hope the move goes well, and look forward to working with you on this and other projects. Please change my email address in your database, to [rmsgnv@cox.net](mailto:rmsgnv@cox.net).  
Thanks.

*Richard M. Schroeder*  
BioResource Management, Inc.  
3520 NW 43rd Street  
Gainesville FL 32606  
352-377-8282  
[www.bio-resource.com](http://www.bio-resource.com)

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**From:** Ohlsen, Michael [mailto:Michael.Ohlsen@eog.myflorida.com]  
**Sent:** Friday, July 11, 2008 1:14 PM  
**To:** ssegrest@earthlink.net; Rolf Maurer; Mayer, Peter; John.College; David Corbin; Richard Schroeder; Evanhughesphd@aol.com  
**Subject:** S0386 - FBEC Grant Agreement

Hi guys –

The Florida Energy Office recently moved out of the Department of Environmental Protection (DEP) and into the Executive Office of the Governor (EOG). We are now referred to as the Florida Energy and Climate Commission. See my new contact information below. Sometime in the near future, we'll need to revise our agreement to show the EOG as the new granting entity. We're still getting moved in here, so it may be a little longer before all the dust settles.

In the mean time, please forward the latest quarterly report to my new address. I don't believe I received one for the first quarter of this project, so you can wrap the first two-quarters into this progress report.

Hope things are going well. Looking forward to touching base again...

- Michael

---

Michael Ohlsen  
Executive Office of the Governor  
Energy & Climate Commission  
  
600 S. Calhoun Street, Suite 251  
Tallahassee, FL 32399-1300  
850-487-9686 / Fax 850-922-9701  
[michael.ohlsen@eog.myflorida.com](mailto:michael.ohlsen@eog.myflorida.com)

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**Please Note:** Florida has a very broad public records law. Most written communications to or from state employees regarding state business are public records available to the public and media upon request. Your e-mail is written communication and may be subject to public disclosure.

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8/14/2009

**From:** Ohlsen, Michael  
**Sent:** Friday, January 25, 2008 3:32 PM  
**To:** 'ssegrest@earthlink.net'  
**Cc:** Rolf Maurer; Richard Schroeder; Mayer, Peter; John.College; Evanhughesphd@aol.com; David Corbin  
**Subject:** RE: Signature Page

Thanks Steve... and the entire team!

Attached is an electronic copy of the executed agreement. Looking forward to doing business with you all.

In the mean time, enjoy the weekend!

- Michael

---

Michael Ohlsen, Project Manager  
Department of Environmental Protection  
Florida Energy Office  
(850) 245-8279

Please Note: Florida has a very broad public records law. Most written communications to or from state employees regarding state business are public records available to the public and media upon request. Your e-mail is written communication and may be subject to public disclosure.

**Smith, Kelley**

**From:** ssegrest@earthlink.net  
**Sent:** Friday, July 18, 2008 7:59 AM  
**To:** Ohlsen, Michael  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** Progress Report

Hi Michael,

Can you give me some general directives just how much detail you require in our progress report? We were not planning to submit any invoices to the State of Florida until our design phase is complete.

Most of the effort to date has been very detailed engineering design -- with a very heavy focus on the heat exchanger.

As you know, I'm an engineer but not a "hard core" engineer like the engineers at CertainTeed and HMI. From my perspective, I'm pulling my hair out as to the level of detail that the "hard core" engineers are putting into the design phase. At times it seems like they love this stuff better than sex, crossing every t and dotting every i to the nth degree.

But on the other hand, we are talking about a very major manufacturing plant at CertainTeed Jacksonville.

The major issue is moving from an industrial process (wallboard drying) using natural gas to bio-gas/hot air from the heat exchanger. We've gone to outside Consulting Engineers on the heat exchanger to perform engineering computer aided simulation/design. CertainTeed has brought in their Parent Company (St. Gobain) wallboard scientists/engineers to make sure that this change in process (natural gas to biogas/heated air) will not adversely effect their wallboard product.

Everything is being resolved positively, its just taking so long as this will be the first time this industrial process has been done in the U.S.

Steve

*The Department of Environmental Protection values your feedback as a customer. DEP Secretary Michael W. Sole is committed to continuously assessing and improving the level and quality of services provided to you. Please take a few minutes to comment on the quality of service you received. Simply click on [this link to the DEP Customer Survey](#). Thank you in advance for completing the survey.*

8/5/2009

**Smith, Kelley**

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**From:** Ohlsen, Michael  
**Sent:** Thursday, September 04, 2008 9:27 AM  
**To:** Ann Rix; mckownb@dor.state.fl.us  
**Subject:** FW: Request for Help

Hi Buzz/Ann –

See inquiry below. FBEC is a grantee of ours and is developing a biomass gasification system that provides natural gas (made from local wood waste) to CertainTeed (who will use it in their wallboard manufacturing process in Jacksonville).

FBEC will be responsible for producing the bio-gas and essentially “selling” it to CertainTeed. Their question is: Do they have to collect Florida sales tax on the gas that they sell to CertainTeed?

And, who at DOR can they contact if they have additional questions?

Thanks!

- Michael

---

Michael Ohlsen  
Executive Office of the Governor  
Florida Energy Office  
850-487-9686

---

**From:** ssegrest@earthlink.net [mailto:ssegrest@earthlink.net]  
**Sent:** Thursday, September 04, 2008 8:49 AM  
**To:** Ohlsen, Michael  
**Cc:** Felipe Yanes; David Corbin; John.College; Richard Schroeder; Rolf Maurer  
**Subject:** Request for Help

Hi Michael,

I know you are very busy, but I need to follow up on my previous requests for help from you.

The issue is the Project's operating expense pro-forma budget, which CertainTeed is bouncing on us to finalize.

The topic that I've needed help on is whether sales taxes would be applicable to this project.

CertainTeed wants a business structure where FBEC sells bio-gas to them under a long term contract (on a MMBTU delivered basis, similar to how natural gas is sold to Industrials).

My question has been: Are gross MMBTU sales from FBEC to CertainTeed subject to State of Florida sales tax (or any other non-income taxes)? In pricing bio-gas from FBEC to CertainTeed, ~85% of the price would just be recovering expenses like fuel cost, operation and maintenance costs, etc.

If sales taxes are applicable to the FBEC/CertainTeed project, FBEC would of course have to pass this cost along to CertainTeed.

Could you look into this or provide us a contact name of someone who we could contact?

Thanks,  
Steve

8/14/2009

**Smith, Kelley**

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**From:** Ohlsen, Michael  
**Sent:** Monday, September 08, 2008 10:53 AM  
**To:** ssegrest@earthlink.net; Felipe Yanes; Richard Schroeder; Rolf Maurer; John.College; Evanhughesphd@aol.com; David Corbin  
**Subject:** RE: State of Florida Quarterly Report

That works for me. Thanks!

---

Michael Ohlsen  
Executive Office of the Governor  
Florida Energy Office  
850-487-9686

---

**From:** ssegrest@earthlink.net [mailto:ssegrest@earthlink.net]  
**Sent:** Monday, September 08, 2008 10:47 AM  
**To:** Felipe Yanes; Richard Schroeder; Rolf Maurer; John.College; Evanhughesphd@aol.com; David Corbin  
**Cc:** Ohlsen, Michael  
**Subject:** State of Florida Quarterly Report  
**Importance:** High

Gentlemen,

I would like to set an absolute deadline date for you to provide comments/edits on the FBEC/CertainTeed Quarterly Report to Michael Ohlsen of the State of Florida Energy Office.

How about close of business tomorrow (Tuesday), September 9th?

If I don't receive any comments/edits from you, I would send Michael the report as is (i.e., the draft previously provided to you) on Wednesday morning (September 10th).

**Note to Michael Ohlsen -- I am thus trying to get the report to you no later than Wednesday morning.**

Thanks,  
Steve

8/14/2009

**Smith, Kelley**

---

**From:** evanhughesphd@aol.com  
**Sent:** Monday, September 08, 2008 12:05 PM  
**To:** ssegrest@earthlink.net; felipe.yanes@saint-gobain.com; rs@bio-resource.com; rem-hmi@worldnet.att.net; John.College@saint-gobain.com; david.corbin@saint-gobain.com  
**Cc:** Ohlsen, Michael  
**Subject:** Re: State of Florida Quarterly Report

Steve -- Sorry. Still on vacation and cannot get to it till back at home tonight. Will look tonight.  
Evan, 650-796-6301 cell, 650-329-8698 voicemail

-----Original Message-----

From: ssegrest@earthlink.net  
To: Felipe Yanes <felipe.yanes@saint-gobain.com>; Richard Schroeder <rs@bio-resource.com>; Rolf Maurer <rem-hmi@worldnet.att.net>; John.College <John.College@saint-gobain.com>; Evanhughesphd@aol.com; David Corbin <david.corbin@saint-gobain.com>  
Cc: Ohlsen, Michael <Michael.Ohlsen@eog.myflorida.com>  
Sent: Mon, 8 Sep 2008 7:46 am  
Subject: State of Florida Quarterly Report

Gentlemen,

I would like to set an absolute deadline date for you to provide comments/edits on the FBEC/CertainTeed Quarterly Report to Michael Ohlsen of the State of Florida Energy Office.

How about close of business tomorrow (Tuesday), September 9th?

If I don't receive any comments/edits from you, I would send Michael the report as is (i.e., the draft previously provided to you) on Wednesday morning (September 10th).

**Note to Michael Ohlsen -- I am thus trying to get the report to yo u no later than Wednesday morning.**

Thanks,  
Steve

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Looking for spoilers and reviews on the new TV season? [Get AOL's ultimate guide to fall TV.](#)



**Smith, Kelley**

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**From:** Ohlsen, Michael  
**Sent:** Tuesday, September 16, 2008 1:29 PM  
**To:** ssegrest@earthlink.net  
**Subject:** RE: FEDEX Tracking No.

Thanks!

---

Michael Ohlsen  
Executive Office of the Governor  
Florida Energy Office  
850-487-9686

---

**From:** ssegrest@earthlink.net [mailto:ssegrest@earthlink.net]  
**Sent:** Tuesday, September 16, 2008 1:31 PM  
**To:** Ohlsen, Michael  
**Subject:** FEDEX Tracking No.

FEDEX website says letter was delivered yesterday and signed for by a R. Dawson.

----- Original Message -----

**From:** Ohlsen, Michael  
**To:** ssegrest@earthlink.net  
**Sent:** Tuesday, September 16, 2008 12:15 PM  
**Subject:** RE: S0386 - FBEC Grant Agreement

Hi Steve –

Did you receive an amendment to our grant agreement recently... one that simply changes our office from DEP to the Executive Office of the Governor? If so, please return a signed copy to DEP. They indicated that they have not received it back yet. Thanks!

- Michael

---

Michael Ohlsen  
Executive Office of the Governor  
Florida Energy Office  
850-487-9686

---

**From:** Ohlsen, Michael  
**Sent:** Friday, July 11, 2008 1:14 PM  
**To:** 'ssegrest@earthlink.net'; 'Rolf Maurer'; 'Mayer, Peter'; 'John.College'; 'David Corbin'; 'Richard Schroeder'; 'Evanhughesphd@aol.com'  
**Subject:** S0386 - FBEC Grant Agreement

Hi guys –

The Florida Energy Office recently moved out of the Department of Environmental Protection (DEP) and into the Executive Office of the Governor (EOG). We are now referred to as the Florida Energy and Climate Commission. See my new contact information below. Sometime in the near future, we'll need to revise our agreement to show the EOG as the new granting entity. We're still getting moved in here, so it may be a little longer before all the dust settles.

8/14/2009

In the mean time, please forward the latest quarterly report to my new address. I don't believe I received one for the first quarter of this project, so you can wrap the first two-quarters into this progress report.

Hope things are going well. Looking forward to touching base again...

- Michael

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Michael Ohlsen  
Executive Office of the Governor  
Energy & Climate Commission

600 S. Calhoun Street, Suite 251  
Tallahassee, FL 32399-1300  
850-487-9686 / Fax 850-922-9701  
[michael.ohlsen@eog.myflorida.com](mailto:michael.ohlsen@eog.myflorida.com)

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**From:** Ohlsen, Michael  
**Sent:** Friday, January 25, 2008 3:32 PM  
**To:** 'ssegrest@earthlink.net'  
**Cc:** Rolf Maurer; Richard Schroeder; Mayer, Peter; John.College; Evanhughesphd@aol.com; David Corbin  
**Subject:** RE: Signature Page

Thanks Steve... and the entire team!

Attached is an electronic copy of the executed agreement. Looking forward to doing business with you all.

In the mean time, enjoy the weekend!

- Michael

---

Michael Ohlsen, Project Manager  
Department of Environmental Protection  
Florida Energy Office  
(850) 245-8279

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## Smith, Kelley

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**From:** Ohlsen, Michael  
**Sent:** Friday, October 10, 2008 9:44 AM  
**To:** ssegrest@earthlink.net; Richard Schroeder  
**Cc:** Felipe Yanes; Rolf Maurer; Matthew Langholtz; John.College; Evanhughesphd@aol.com; David Corbin  
**Subject:** RE: FBEC CertainTeed Status Report

Hi Steve/Richard –

Earlier this week I accepted a position with the City of Tallahassee's Energy Services Department. I'll be spearheading their demand-side management program... supporting the City's aggressive energy efficiency and green building goals. My last day with the state will be Oct 23rd; however, I'm sure our paths will cross again in my new role at the City. In the mean time, I've enjoyed working with you over the past year or so and wish you the best!

Not sure who will be assigned to manage this project yet... stay tuned (and have a nice weekend)!

- Michael

---

Michael Ohlsen  
Executive Office of the Governor  
Florida Energy Office  
850-487-9686

---

**From:** ssegrest@earthlink.net [mailto:ssegrest@earthlink.net]  
**Sent:** Tuesday, September 09, 2008 9:58 AM  
**To:** Ohlsen, Michael  
**Cc:** Felipe Yanes; Richard Schroeder; Rolf Maurer; Matthew Langholtz; John.College; Evanhughesphd@aol.com; David Corbin  
**Subject:** FBEC CertainTeed Status Report

Michael,

Attached is the FBEC/CertainTeed Status Report.

Let me know if you have any questions or additional information is required.

Thank you,  
Steve

**Smith, Kelley**

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**From:** Steve Segrest [ssegrest@earthlink.net]  
**Sent:** Wednesday, February 04, 2009 12:38 PM  
**To:** Smith, Kelley  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** FBEC Quarterly Report (Biomass Gasification)  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed  
**Attachments:** Quarterly Status Report January 31 2009.doc; Lafarge Interest Letter - signed.pdf

Kelley,

Attached is (1) FBEC's quarterly report on our FEO sponsored biomass gasification project, (2) a letter from Lafarge Gypsum.

Thank you,  
Steve Segrest  
FBEC  
813 987 9728

**Smith, Kelley**

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**From:** Steve Segrest [ssecrest@earthlink.net]  
**Sent:** Monday, February 23, 2009 5:29 PM  
**To:** Smith, Kelley  
**Cc:** Rolf Maurer  
**Subject:** Your Request  
**Attachments:** HMI\_Memo - Natural gas displaced at Lafarge-NA Gypsum Palatka FL.doc

Kelley,

Hopefully, this (attached) answers your question. If not, let me know.

Tx,  
Steve

Steve –  
I have a quick question for you. Can you tell me once you have the gasification system up and running how much natural gas do you expect it will displace?

Thank you!

Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701

8/14/2009



## Memorandum

**DATE:** 23 February 2009  
**TO:** Steve Segrest  
**FROM:** Rolf Maurer  
**RE:** Natural Gas Displaced @ Lafarge-NA  
Gypsum with Biogas (Phase I and Phase II)  
**cc:** Debbie Master, Ben Borgmeyer, Arun Thomas, & April Pearson

### Background:

Phase I of the biogasification project with state of Florida support will displace 55 MMBtu/hr (mill application). In the future, after a successful Phase I project, up to 70% of the natural gas currently used could be displaced with biogas (a conservative goal suggested by Lafarge-NA Gypsum management). Under this future scenario, both the mills and the dryer will utilize biogas with 190 MMBtu/hr. This means that an additional 135-145 MMBtu/hr of biogas would be supplied by an additional three HMI Biogasifiers from the initial Phase I project.

### Natural gas displacement @ Lafarge-NA Gypsum:

	Annual NG Displaced (MMscf/year) (Annual 85% Availability)	Percentage of NG Displaced (%) @ Lafarge-NA Gypsum
Phase I	410	20
Phase II	1,435	70

Future option exists for Lafarge-NA Gypsum to generate distributed (on-site) power using Biogasification at increments of 4 to 5 MWe/HMI Gasifier.

4 to 5 MWe	410
16 to 20 MWe	1,640

## Smith, Kelley

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**From:** Smith, Kelley  
**Sent:** Wednesday, May 06, 2009 8:49 AM  
**To:** 'Steve Segrest'  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** RE: Quarterly Report

Thank you Steve. I hope that you are doing ok and that you are on your way to a speedy recovery!

*Respectfully,  
Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

---

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Wednesday, May 06, 2009 8:41 AM  
**To:** Smith, Kelley  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** Quarterly Report

Hi Kelley,

I had surgery +2 weeks ago. Everything is OK now but the past couple of weeks were pretty tough requiring pain meds (mass quantities).

I'm confident that I will be able to submit everything to you by this Thursday or Friday this week.

Thank you,  
Steve

----- Original Message -----

**From:** Smith, Kelley  
**To:** steve@treepower.com ; Steve Segrest  
**Sent:** Monday, May 04, 2009 11:30 AM  
**Subject:** FBEC Grant

Mr. Segrest -

I have not received your quarterly report for the first quarter of 2009. Please send that to me as soon as possible.

If you have any questions, please do not hesitate to contact me.

Thank you!

8/14/2009

*Respectfully,  
Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

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**Database version: 6.12330**  
**<http://www.pctools.com/spyware-doctor-antivirus/>**



**Smith, Kelley**

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**From:** Smith, Kelley  
**Sent:** Tuesday, May 12, 2009 10:50 AM  
**To:** 'Steve Segrest'  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** RE: Quarterly Report and Project Transfer Files

Mr. Segrest -

Thank you for sending the report. Before we can move forward we will need to do an amendment to your previous grant agreement to revise the budget and project description. I will be in touch with you shortly to put together these items.

Thank you!

*Respectfully,  
Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

---

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Tuesday, May 12, 2009 1:00 AM  
**To:** Smith, Kelley  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** Quarterly Report and Project Transfer Files

Hi Kelley,

I'm sorry that I missed my deadline of last Friday. I had an adverse reaction to all the antibiotics they have me on (and its taken a few days to get everything straightened out).

Attached is our quarterly report and the necessary information requirements to transfer the bio-gasification project to Homeland Agricultural Fuels (Bartow).

Our next step after transferring the project is to immediately submit an invoice for approximately \$200,000 for work performed by FBEC of which approximately 40% could be reimbursed (i.e., ~40% State of Florida, ~60% Cost Sharing by FBEC).

Let me know if we (FBEC) need to do anything further immediately.

Thank you,  
Steve Segrest  
813 987 9728

8/14/2009

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**<http://www.pctools.com/spyware-doctor-antivirus/>**

**Smith, Kelley**

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**From:** Steve Segrest [ssegrest@earthlink.net]  
**Sent:** Friday, May 22, 2009 12:40 PM  
**To:** Smith, Kelley  
**Subject:** Thanks

Kelley,

Thanks!  
Steve

----- Original Message -----

**From:** Smith, Kelley  
**To:** Steve Segrest  
**Cc:** Rolf Maurer ; Richard Schroeder  
**Sent:** Friday, May 22, 2009 10:53 AM  
**Subject:** RE: Insurance

Mr. Segrest -

We will need to do an amendment to your grant agreement. I am working on that now. I will be contacting you shortly to go over that. After we have that settled then we can proceed with this matter.

Thank you!

*Respectfully,  
Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

---

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Thursday, May 21, 2009 11:27 AM  
**To:** Smith, Kelley  
**Cc:** Rolf Maurer; Richard Schroeder  
**Subject:** Insurance

Hi Kelley,

Our annual insurance premium for gasification project is ~\$2,000 per year. In February 2009, we let the insurance expire since we didn't know if we would be successful in transferring the project from CertainTeed.

We can reinstate the insurance coverage in approximately 48 hours with our insurance carrier.

8/14/2009

Thus, I am writing you to ask when we should "pull the trigger" (costing us ~\$2,000) with our insurance carrier to reinstate the coverage required by the State of Florida grant.

Thank you,  
Steve Segrest  
813 987 9728

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**Database version: 6.12450**  
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**Database version: 6.12450**  
**<http://www.pctools.com/spyware-doctor-antivirus/>**

## Smith, Kelley

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**From:** Smith, Kelley  
**Sent:** Monday, June 08, 2009 3:55 PM  
**To:** 'Steve Segrest'  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** RE: Checking In

Steve –

I am working on this now. I greatly apologize for the delay. I should have something to you within the next few days for your review.

Thank you!  
Kelley

*Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

---

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Monday, June 08, 2009 3:19 PM  
**To:** Smith, Kelley  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** Checking In

Kelley,

Just checking in with you. Is there anything we can do on our end to facilitate the updating of our contract?

Thanks,  
Steve

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Database version: 6.12560  
<http://www.pctools.com/spyware-doctor-antivirus/>

8/4/2009

## Smith, Kelley

**From:** Smith, Kelley  
**Sent:** Wednesday, June 24, 2009 10:56 AM  
**To:** 'Steve Segrest'  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** RE: Update

Steve –

I greatly apologize for the delay in getting back with you. We have been very busy in our office working on our Federal Stimulus applications and unfortunately that has taken time away from other things. I am working on you amendment as we speak and am hoping to have something to you for your review within the next couple of days.

One question I have for you is this...your grant is scheduled to end on January 24, 2010. Would you need an extension on that date? Or can the project be completed by the original date?

Thank you!  
Kelley

*Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Wednesday, June 24, 2009 10:45 AM  
**To:** Smith, Kelley  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** Update

Hi Kelley,

We are not overly concerned that we have not received a draft of a new agreement from you -- we do get concerned when we just don't hear anything. Just a brief email from you that everything is OK and you are just swamped with other work would be fine.

We continue to go full speed in our engineering. With the dramatic decrease in natural gas prices, it very much appears that we would be generating about 3 MW of electricity at the plant -- rather than just using a boiler to produce process steam.

The engineering approach will be to gasify wood, clean the gas with an ESP, and then use the clean gas to power a G.E. Janbacher engine to generate ~3 MW of power.

Pretty exciting and certainly a first in Florida!

8/4/2009



Steve

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Database version: 6.12680

<http://www.pctools.com/spyware-doctor-antivirus/>

8/4/2009

## Smith, Kelley

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**From:** Smith, Kelley  
**Sent:** Thursday, July 16, 2009 12:02 PM  
**To:** 'Steve Segrest'  
**Subject:** RE: Follow-up

Steve –  
I need your progress report for this quarter. Please send ASAP.

Thanks!  
Kelley

*Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

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**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Thursday, July 16, 2009 9:16 AM  
**To:** Smith, Kelley  
**Subject:** Follow-up

Kelley,

Below is an email I received from Homeland Agricultural Fuels on jobs. Note that there is an agricultural component of growing sorghum as ethanol feedstock (~20 jobs) in addition to the ethanol plant (~33 jobs).

As for the gasifier operations only (my email below), 3 new full jobs would be created at between \$30 to \$40 per hour.

P.S. How is the draft contract coming? When could we expect to see a draft?

Steve

----- Original Message -----

**From:** [Kieran Jennings](#)  
**To:** '[ROLF E maurer](#)'; '[Steve Segrest](#)'; '[Tony Senagore](#)'; '[Chuck Ritley](#)'  
**Sent:** Tuesday, July 14, 2009 10:12 AM  
**Subject:** RE: State of Florida Request

I previously estimated 33 full time at Bartow for the plant. The farming jobs are as you know difficult to estimate. There would be approximately 8,000 acre in play (using 1.5\* need). Call it another 20 jobs.

8/4/2009

-----Original Message-----

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]

**Sent:** Tuesday, July 14, 2009 7:20 AM

**To:** Tony Senagore; Chuck Ritley; Kieran Jennings

**Cc:** Rolf Maurer

**Subject:** State of Florida Request

Last week the State of Florida's Energy Office asked me to provide

1. How many jobs would this project create
2. What is the typical salary of these jobs.

I really need a response from you.

Give me how many new jobs would be created (and salary) when the Bartow Ethanol facility is fully up and running (new jobs at the fully functioning facility that runs 24X7 12 months a year).

As to the gasification piece -- At a minimum we will need to have the gasifier monitored 24 hours a day. At times, maybe just a control room monitoring along with your ethanol monitoring.

At CertainTeed we assumed 1 person at \$30 an hour (fully loaded cost of insurance, etc.) for each 8 hour shift. 3 shifts a day (24 hr. coverage) -- or 3 new jobs.

Really need something today.

Steve

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Database version: 6.12840

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**Smith, Kelley**

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**From:** Steve Segrest [ssegrest@earthlink.net]  
**Sent:** Monday, July 20, 2009 9:23 AM  
**To:** Smith, Kelley  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** FBEC Quarterly Report -- Email 1 of 4  
**Attachments:** Quarterly Status Report June 2009.doc

Good Morning Kelley,

Attached is FBEC's June 2009 Quarterly Report. This is the first of 4 emails I will be sending you this morning.

Thanks,  
Steve

813-987-9728 (office)  
813-727-5521 (cell)

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**Database version: 6.12860**  
**<http://www.pctools.com/spyware-doctor-antivirus/>**

8/14/2009

**Smith, Kelley**

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**From:** Steve Segrest [ssegrest@earthlink.net]  
**Sent:** Monday, July 20, 2009 9:57 AM  
**To:** Smith, Kelley  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** Past Documentation Sent -- Email 2 of 4  
**Attachments:** FEO HAF Commitment Letter.pdf; FEO HAF Sections VIII & IX final - Funding Category and Budget Detail.doc; FEO Section IV- Project Description-final - 11 May 09.doc

Kelley,

I know you have been extremely busy with a million things to do. This 2nd email attempts to refresh everybody as to the timeline of our request to the State Energy Office to modify our existing contract from CertainTeed to Homeland Agricultural Fuels' Bartow Ethanol plant.

I know we have tried our best to keep both you and Michael informed of everything that has happened. To date in good faith, FBEC members (Segrest, Maurer, Schroeder) have funded ~\$200,000 of our work effort.

-- Since our April 2009 Quarterly Report, FBEC has been asking the State of Florida Energy Office to modify our contract from CertainTeed to Homeland Agricultural Fuels.

-- Attached is the Commitment Letter signed by Homeland Agricultural Fuels sent to you (dated March 28, 2009).

-- Attached are the revised contract schedules sent to you with the April Quarterly Report -- providing all the information required to modify the existing contract (Section IV Project Description and Task Timeline, Section VIII and IX Budget information).

Thank you,  
Steve

813-987-9728 (office)  
813-727-5521 (cell)

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**Database version: 6.12860**  
<http://www.pctools.com/spyware-doctor-antivirus/>

8/14/2009

March 28, 2009

**Letter of Intent to Participate in a Biomass to Energy Project in Bartow**

Florida Biomass Energy Consortium  
C/o Common Purpose Institute  
724 Argyle Place  
Temple Terrace, FL, 33617

Attention: Mr. Steve Segrest

Dear Steve,

Homeland Agricultural Fuels (HAF) and Bartow Ethanol is the owner of an operating ethanol plant located in Bartow, Florida. For the past two years, HAF and BE have been making capital additions and modifications at the Bartow facility to in preparation to produce approximately 30 million gallons of ethanol per year using feedstock of sweet sorghum grown locally (Hardee and Polk County) and citrus peel wastes from local juice producers. The primary ethanol production methodology will be ethanol fermentation directly from the sugars of the feedstock used.

In 2010, HAF also plans to test/demonstrate cellulosic ethanol technology and processes using the sorghum waste stream (bagasse, presscake) as the feedstock. If these cellulosic trials are technically successful and can be economically commercialized, the Bartow ethanol plant would be the only facility in the U.S. using 100% of a plant feedstock to produce ethanol (i.e., closed loop).

HAF welcomes the opportunity to team with Florida Biomass Energy Consortium ("FBEC") to produce both process steam and electricity generation through biomass gasification technology for the Bartow facility using primarily the agricultural waste stream of the sorghum crop as the fuel source. If successful, this would make the Bartow facility a 100% complete "closed loop" biomass system for both ethanol and energy (process steam, electricity) production. To HAF's knowledge, this would be the only facility of this type in the world, integrating biomass technologies into every phase of the ethanol production process.

Once the Bartow facility is fully commercialized at approximately 30 million gallons of ethanol per year, total energy consumption would be ~ 90 MMBtu per year at the facility consisting of ~ 90,000 pounds of process steam per hour and electricity requirements of ~2 MWs.

HAF fully understands that in order to receive project benefits of the \$2.5 million State of Florida Energy Office grant award received by FBEC, that a minimum level of cost sharing (through a combination of capital expenditures and in-kind contributions) must be \$3,788,575.



HAF's final participation is contingent on completion and approval of a project business plant in accordance with HAF's policies and procedures for capital projects and such matters as:

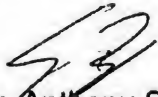
- HAF obtaining assurances that the biomass gasifier and its integration into the Bartow ethanol facility will conform to all HAF safety and environmental policies and procedures.
- FBEC obtains funding for the gasifier from the State of Florida Energy Office.
- All permits etc. are obtained.
- The overall project meets the needs of BE and HAF to economically produce fuel ethanol.

If FBEC is in agreement with the foregoing, please so indicate by signing below.

This letter is not a contract. Neither party will be bound unless all of the above contingencies are met. And the parties agree to all measures necessary for successful implementation.

HAF looks forward to the opportunity to work with FBEC, with the support of the State of Florida Energy Office to successfully demonstrate the commercial viability of this technology.

Yours truly,



Dr. Anthony Senagore  
CEO, Homeland Agricultural Fuels

Accepted,

Steve Segrest, Project Director  
Florida Biomass Energy Consortium

### SECTION VIII: Budget Summary

Funding Category	Grant Funds Requested	Cost Share: Matching Funds and Other In-Kind Contributions	
		Funding	Source of Funds
Salaries:	265,800.	229,500.	HAF
Fringe Benefits:	-	-	-
Equipment:	2,186,200.	2,897,825	HAF
Travel:	48,000.	24,500.	HAF
Contractual:	-	250,000.	HAF
Supplies/Other Expenses:	-	386,750.	HAF
Indirect:	-	-	-
Totals:	2,500,000.	3,788,575.	
Total Project Cost:	6,288,575	= Grants Funds Requested + Cost Share	
Cost Share Percentage:	60.25%	= Cost Share / Total Project Cost	

Project Task*		Grant Funds Requested	Cost Share: Matching Funds and Other In-Kind Contributions	
			Matching Funds	Source
1	Permitting & Site Prep.	40,000.	60,000.	HAF
2	Gasifier design & wood yard and biofuels design and completion	210,000.	120,000.	HAF
3	Gasifier & fuel handling equipment procurement & delivery to site	470,000.	250,000.	HAF
4	Gasifier inst. & controls design, procurement, & delivery to site	220,000	150,000.	FBEC
5	Biogas combustion systems procurement and delivery to site	120,000.	200,000.	HAF
6	Complete foundation for gasifier and combustion systems with erection of all equipment	760,000.	400,000	HAF
7	Gasifier – Complete electrical & instrumentation and controls installed	100,000.	200,000.	FBEC
8	Gasifier inst. & controls integrated with combustion systems	60,000.	60,000.	HAF
9	HAF installation and retrofit of boilers and heaters @ HAF turn-key project		2,248,575.	HAF
10	Gasifier system check-out and commissioning	80,000.	10,000.	FBEC
11	Coupling of biogas with HAF boilers and heaters – Perform Performance Test	80,000.	90,000.	HAF
Totals:		2,500,000.	3,788,575.	
Total Project Cost:		6,288,575	= Grant Funds Requested + Cost Share	

### SECTION IX: Budget Detail

<b>Personnel</b>						
Salaries (Name/Title/Position)	Hourly Cost (\$)		Hours		Totals (\$)	
Steve Segrest/Project Director/FEBC	125.	*	720	=	90,000.	
Rolf Maurer/Technical Director/FEBC	150.	*	710	=	107,000.	
Richard Schroeder/Fuel Procurement/FEBC	100.	*	388	=	38,800.	
FBEC Legal Project Support	150.		200	=	30,000.	
HAF Project Management/Legal Support	150.	*	700	=	105,000.	
Safety Manager HAF Project Support	100		45	=	4,500.	
HAF Engineering Design	100	*	1200	=	120,000.	
<b>Total Salaries</b>				=	495,300.	
Fringe Benefits (Rate% * Total salaries applicable)	Rate (%)		Salaries		Total (\$)	
	0.00 – (NA)				00.	
<b>Total Personnel Expenses</b>				=	495,300.	
<b>Equipment</b>						
Description	Unit Cost (\$)		Quantity		Totals (\$)	
HMI 10' Dia. Gasifier (installed Turn-Key)	1,750,000.	*	1	=	1,750,000.	
Biogas Combustion System - installed	150,000.	*	1	=	100,000.	
Biomass Storage/Handling & Delivery system	286,200.	*	1	=	250,000.	
HAF Turn-key process system installation including process equipment modifications	2,234,025.	*	1	=	2,234,025.	
<b>Total Equipment</b>				=	5,084,025	
<b>Travel</b>						
Purpose/Destination	Trips		Per Diem		Fare/Rate (\$)	Mileage Totals (\$)
Steve Segrest Tampa/Bartow	120		-		-	- 9260.
Rolf Maurer Houston/Bartow	30		-		-	- 30,240.
Richard Schroeder FL/Bartow	12		-		-	- 8,500.
HAF Project Manager	20		-		-	- 13,000.
Safety	5		-		-	- 2,000.
Others	15		-		-	- 9,500.
<b>Total Travel</b>				=	72,500.	
<b>Contractual</b>						
Name or Services	Fee/Rate (\$)		Hours		Totals (\$)	
<b>Total Contractual</b>				=	380,000.	
<b>Supplies and Other Expenses</b>						
Description	Unit Cost (\$)		Quantity		Totals (\$)	
Interface piping between gasifier and boilers					256,750.	
<b>Total Supplies and Other Expenses</b>				=	256.750.	
<b>Overhead/Indirect</b>						
Base of Calculations	Rate (%)		Base (\$)		Total (\$)	
<b>Total Budget</b>						
<b>Total Budget</b>				=	6,288,575	

## **Section IV: Project Description**

FBEC will design, engineer, install and operate an innovative and proven biomass gasification system (Ref: Wellman-Galusha gasifier basis<sup>1</sup> and HMI/ARI biomass gasifier with Ansaldo in Genova, Italy commissioned in 2002). The efficient gasification of sorghum crop waste (bagasse, presscake) wood chips and other bio fuels (e.g. switch grass) will provide clean thermal energy to the Homeland Agricultural Fuels (HAF) ethanol production facility in Bartow, FL. The HMI automated gasification process de-ashes the biomass feedstock converting the solid biomass fuel into a clean gas with pyrolysis liquid aerosol. The advanced HMI gasifier (derived from the commercial W-G gasifier) is more automated with the following features for efficient biomass gasification:

- Automated fuel feeding and bed level control
- Automated ash removal and ash level control
- Continuous monitoring of gas & pyrolysis liquids quality/production quantity

The biomass gasifier will displace +90% of the natural gas burned by the HAF ethanol operation for steam, heat, and potentially power. Depending on the market price of natural gas, employing biomass gasification will reduce the energy cost for HAF by 50% to 75% with a cap on the energy cost and generate carbon credits for FBEC/HAF.

This innovative biomass gasification project will convert waste wood and locally generated biowaste at the Bartow, FL site of HAF's ethanol production facility. Up to 50 MMBtu/hr of natural gas will be displaced by gasifying wood waste. This amounts to about 90% of the natural gas used daily at the HAF facility.

FBEC will work closely with the HAF Bartow plant manager to obtain all permits required to construct and operate the biomass gasification facility. The commercial gasifier operational background and experience of HMI will insure that all permits are obtained as accurately and expeditiously as possible. This will include permitting of waste wood delivery to the site via truck plus storage and handling of the waste wood on-site prior to gasification.

Burning the hot-raw biogas using Bloom Engineering's commercial industrial bio-gas burners with the combustion products monitored for high pressure steam generation is an integral part of the permitting process. Steam generation will be used for HAF's process steam requirements with the potential of on-site power generation. The site permit will combine the gasification operational expertise of the FBEC team with the Bloom Engineering combustion design team and HAF facility management. The entire gasification/combustion/steam generation system will be controlled and monitored by state of the art thermal and environmental control systems to insure safe and clean operation.

The work to be performed is summarized in the Tabulation of Tasks and the completion of the tasks (months from the start of the project) below:

No.	Task/Activity Description	Start	Complete	Deliverables and Outputs	Deliverable Output Due Dates
1	Permitting & Site Preparation	June 09	Oct 09	Permits finalized and Site prepared	Project Status Report
2	Gasifier Design & Wood Yard Design (incl. structural & foundations)	1mo.	6mo.	Gasifier design/structure & foundation design complete & Wood Yard equipment specified	6mo.
3	Gasifier fabrication complete – Delivered to site with Wood handling equipment	7mo.	11mo.	Deliver gasifier equipment and structure to site with wood handling equipment Complete foundations	11mo.
4	Gasifier instrumentation & controls design purchase & delivery	5mo.	11mo.	Instrumentation & control system design complete & equipment purchased and delivered to site	11mo.
5	Biogas burner; combustion chamber; heat exchanger Design Package, PO's, & Site Delivery	5mo.	10mo.	Specification and design of the complete combustion system and heat recovery-heat exchanger with Coen Company and delivery	10mo.
6	Complete foundations for all equipment and erection of equipment	10mo.	12mo.	Complete all foundations and erection of hardware	12mo.
7	Gasifier - electrical & instrumentation and controls completion	6mo.	12mo.	Completion of gasifier electrical and instrumentation & controls	12mo.
8	Integrate Gasifier controls with burner-combustion system controls, steam generator	12mo.	15mo.	Confirm integration of gasifier and burner combustion system control & operation with reheating recirculation air	15mo.
9	HAF steam generator controls design, fabrication & installation	7mo.	16mo.		16mo.
10	Gasifier system Check-out and Commissioning	18mo.	21mo.	Demonstrate gasifier and burner combustion- steam generation system operation and control with continuous 5 day run	21mo.
11	Coupling of HAF ethanol production operations with biogas fired steam generator operation – Performance Test	20mo.	24mo.	Deliver process steam to HAF ethanol operation performance verification and operation – 72 hour performance test	24mo.

HAF and the Bartow ethanol plant engineering will assume responsibility for the steam generator performance using biogas generated from the gasified wood

waste and other biofuels. This initial phase of the HAF steam generation facility modifications will be limited to the process steam used by HAF operations. Phase II of this biomass gasification conversion process will displace an additional 50 MMBtu/hr natural gas for on-site power generation with waste wood derived biogas and further lower HAF's power costs.



## Smith, Kelley

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**From:** Smith, Kelley  
**Sent:** Monday, July 20, 2009 10:47 AM  
**To:** 'Steve Segrest'  
**Subject:** RE: Revised Task Timeline -- Email 3 of 4

Steve -

Yes the start date that we have for your grant is January 25, 2008.

*Respectfully,  
Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

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**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Monday, July 20, 2009 10:44 AM  
**To:** Smith, Kelley  
**Cc:** Rolf Maurer; Richard Schroeder  
**Subject:** Revised Task Timeline -- Email 3 of 4

Kelley,

Before I start with this email, I need a clarification. Our contract was executed on January 25, 2008. This is the start date, right?

You stated that you believed that the contract could only be extended an additional 12 months. I ask Rolf Maurer if this was acceptable and if we could do it. Rolf responded that a 12 month extension was acceptable if we could have an executed contract modification (from CertainTeed to Homeland Agricultural Fuels' Bartow Ethanol plant) relatively quickly -- allowing us to spend necessary money with cost shares from HAF and FBEC.

Attached is this revised timeline developed by Rolf,

The reasons why we feel we can meet this schedule are twofold. 1st, most of the engineering design work on the gasifier is identical between CertainTeed, Lafarge, AND HAF's Bartow Ethanol plant. Thus we've already done quite a bit of design work. 2nd, a key aspect of the engineering application at Bartow Ethanol is actually easier than either CertainTeed or Lafarge. CertainTeed and Lafarge was process heat for their wallboard drying. Bartow Ethanol's biogas application is process steam.

At CertainTeed there was a concern, requiring a work task that CertainTeed paid several outside consultants to confirm (and months to perform), that the biogas would in no way impact the quality of the wallboard product (such as impurities). At Bartow Ethanol there would be no

8/4/2009

such concern with product quality (like wallboard) since the biogas would be used to create steam.

Steve

813-987-9728 (office)

813-727-5521 (cell)

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FBEC - HAF/Bartow Ethanol Proposed Schedule and Spending/Billing Schedule

Project Task	Duration	FBEC Project Costs by Task	HAF/Bartow Ethanol Matching Funds
1. Permitting & Site Preparation	July - October 2009	40,000	50,000
2. Gasifier Design & Wood Yard Design	July - October 2009	210,000	370,000
3. Gasifier and Fuel Handling Equipment Procurement & Delivery to Site	Nov 2009 - April 2010	470,000	680,000
4. Gasifier Inst. & Controls Design, Procurement & Delivery to Site	Sept 2009 - April 2010	220,000	350,000
5. Biogas combustion System Procurement and Delivery to Site	Nov 2009 - May 2010	480,000	650,000
6. Foundations for gasifier and combustion System and erection of process equipment	March 2010 - July 2010	760,000	950,000
7. Gasifier - Complete Electrical and Instrumentation/Controls Installed	June 2010 - Sept 2010	100,000	250,000
8. Gasifier Instrumentation and Controls Integrated with Combustion Chamber/boiler	October 2010 - Nov 2010	60,000	200,000
9. HAF/Bartow Ethanol Boiler Upgrades and Integration	March 2010 - Nov 2010		200,000
10. Gasifier System Check-out & Commissioning	Dec 2010 - Janaury 2011	80,000	88,575
11. Perform Performance Testing	Jan 2011 completed by 1 Feb 2011	80,000	
TOTAL		2,500,000	3,788,575

**Smith, Kelley**

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**From:** Steve Segrest [ssegrest@earthlink.net]  
**Sent:** Tuesday, July 21, 2009 11:23 AM  
**To:** Smith, Kelley  
**Cc:** Rolf Maurer; Richard Schroeder  
**Subject:** Email 4 of 4 – Summary of Work Tasks Performed  
**Attachments:** Summary of FBEC Work Effort to Develop Bio.doc

Hi Kelley,

Attached is the summary of the FBEC work effort to develop biogasification within the industrial sector in Florida.

I've tried my best and if I need to do more, I'm 100% committed to provide anything you need.

Thanks,  
Steve

813-987-9728 (office)  
813-727-5521 (cell)

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<http://www.pctools.com/spyware-doctor-antivirus/>

8/14/2009

## **Summary of FBEC Work Effort to Develop Bio-Gasification Within the Industrial Sector in Florida**

The financial stress that has occurred throughout the U.S. since last fall clearly shows that the lifeblood of our economy is critically centered within the Industrial/Manufacturing sector in preserving and creating jobs. FBEC's biomass gasification project at Homeland Agricultural Fuels' Bartow Ethanol plant (commitment letter of March 27, 2009 submitted to the State Energy Office) is a perfect example of the type of innovation through renewable energy technology needed to regain global competitiveness within the critical Industrial sector.

FBEC hopes the State of Florida Energy Office recognizes some key points regarding this project and our efforts to date:

- Our biomass gasification project has now gone through an extremely rigorous engineering technology and economic evaluation by four Industrial companies. Three of these companies are leading U.S. Fortune 500 companies with very sophisticated analytical capabilities by their staff.
- All four companies have concluded that the project's engineering and economics are highly viable. No other project funded by the State of Florida Energy Office could have possibly gone through this level of sophistication and exhaustive independent private sector evaluation as to feasibility/viability.
- FBEC has clearly communicated to and directly involved the State Energy Office with every major step in our development efforts. FBEC has shown tremendous "good faith" by internally funding ~\$200,000 in project work which we have not been compensated for.
- While the non-achievement of completed project work tasks is primarily the result of economic conditions faced by Industrial companies, FBEC respectfully believes that the State of Florida Energy Office has also contributed to delays in overall work product. With our April Quarterly Report, FBEC requested and provided all information to modify the existing FBEC contract to Homeland Agricultural Fuels. If the existing FBEC contract would have been amended last Spring as requested (allowing the submission of cost sharing from the Bartow Ethanol facility), significantly more work tasks would have been completed.

The State of Florida Energy Office must not conclude or assume that in transferring the Project from CertainTeed to Homeland Agricultural Fuels (and attempts to develop the Project at either Lafarge Wallboard or Georgia Pacific) that the project scope and objectives have somehow changed from the original FBEC award/contract. With all the Industrials that FBEC has worked with, **the core technology objective is absolutely identical – the demonstration of bio-gasification for Industrial heating processes to displace fossil fuel use (oil, natural gas).**

The State of Florida Energy Office must not conclude or assume that the inability to implement the bio-gasification project by CertainTeed, Lafarge, or Georgia Pacific and achieving the completion of scheduled work tasks is reflective of the Project's value or the technical capabilities and work effort by FBEC.



**According to CertainTeed, the biomass gasification project almost saved the gypsum wallboard plant in Jacksonville from closing, where ~100 jobs were lost.** Because of high energy cost (natural gas) and high gypsum cost (imports from Nova Scotia), the Jacksonville plant was one of CertainTeed's most non competitive plants in North America. With the biomass gasification project, the Jacksonville plant's rank changed from highly non-competitive to "on the bubble" for plant closing. With the severe economic downturn in housing, CertainTeed just ran out of time to fix the gypsum supply issue for the Jacksonville plant.

The State Energy Office is also well aware of the high level of support at Lafarge and Georgia Pacific for implementing the Project at their sites and the on-going efforts with senior management at these companies to ask for an exemption to their corporate-wide capital spending freezes mandated in late 2008 for all projects and improvements. FBEC agreed with and accepted the State Energy Office's suggestion that Lafarge, Georgia Pacific, and Homeland Agricultural Fuels (HAF) must be given a firm "deadline date" to commit cost sharing capital to the Project. Only HAF could provide a letter of commitment by the self imposed April 2009 deadline date.

**Clearly, the inability to implement the bio-gasification project at either Lafarge (Palatka) or Georgia Pacific (Hosford) was solely based on access to capital markets – a condition rampant throughout the U.S. economy.**

The State of Florida must not conclude that FBEC has not achieved the completion of significant work tasks during the approximate 18 months since the execution of the FBEC contract. In September 2008, FBEC was ahead of schedule at the CertainTeed Jacksonville plant. In the FBEC contract, 28 Work Tasks are identified to fully implement the Project, where items 1 through 9 would be categorized as primarily engineering design work. With the exception of site permitting with the Florida Department of Environmental Protection (Task 3), all work tasks 1 through 9 were completed. In September, FBEC had made two requests to CertainTeed:

- Approval to release to bid for fabrication of the gasifier vessel.
- Submission of cost sharing information to the Florida Energy Office to be reimbursed (~60%/40% ratio) for FBEC expenses incurred.

From September to early December 2008, CertainTeed (corporate headquarters in Tampa) did not act on our two requests with responses/explanations that were confusing. During this time period, CertainTeed's corporate headquarters raised relatively minor technology issues that senior engineering staff at the Jacksonville plant and even CertainTeed's outside engineering consultants had concluded were resolved. **Prior to the public announcement in December 2008 of the Jacksonville plant closing, CertainTeed never conveyed any of this information to FBEC.** In fact, communications from CertainTeed continued to be highly favorable during this period about the Project's ability to increase the Jacksonville plant's competitiveness by reducing energy costs from a staggering

~\$14 per MMBtu (from natural gas) to ~\$4 per MMBtu (from bio-gasification) – a 350% reduction in energy costs.

While it is not our intent to embarrass CertainTeed, FBEC strongly believes that the inaction by CertainTeed to move forward in the technical progression of scheduled work tasks was driven by the pending plant closure – information that for whatever reason, that CertainTeed could not share with FBEC or the State Energy Office.

In December 2008, FBEC notified the State Energy Office of CertainTeed's plant closing in Jacksonville and that due diligence efforts had been initiated with Lafarge Wallboard, Georgia Pacific, and Homeland Agricultural Fuels to transfer the bio-gasification project to one of these sites. During an approximate four month period during the winter and early spring of 2008/2009, FBEC again performed and completed Work Tasks 1 through 9 (with the exception of Task 3 on environmental permitting) with both Lafarge and Georgia Pacific.

As of mid-July 2009, FBEC has achieved approximately 50% of design engineering Work Tasks 1 through 9 at Homeland Agricultural Fuels. The obstacle in FBEC fully achieving these design engineering tasks has been the lack of a modified contract with the State of Florida in order to submit cost shares to fund needed outside consulting design/evaluation work (primarily, bio-gasification integration into an existing Cleaver Brooks boiler at Bartow Ethanol). Homeland Agricultural Fuels has stated they can not commit to their cost sharing without FBEC having a modified contract. While FBEC has shown tremendous "good faith" in self funding ~\$200,000 of our project development work with now four Industrial companies, FBEC simply does not have the cash to pay outside consultants.

**Conclusion:** FBEC strongly believes that with a 12 month extension of the current contract to January 25<sup>th</sup>, 2011 that the Project can be completed on schedule at the Bartow Ethanol plant. FBEC's rationale is as follows:

- FBEC's original contract with the State Energy Office specified a 24 month period to complete the Project.
- With a 12 month extension plus the remaining ~6 months to the original completion date (i.e., January 25, 2010), this would provide an 18 month period.
- FBEC strongly believes that with the completion of Work Tasks 1 through 9 now performed three times (with CertainTeed, Lafarge, and Georgia Pacific) that this represents, at a minimum, 6 months of work effort that can be directly applied to the Bartow Ethanol plant.



## Smith, Kelley

---

**From:** Smith, Kelley  
**Sent:** Friday, July 24, 2009 9:07 AM  
**To:** 'Steve Segrest'  
**Cc:** Rolf Maurer  
**Subject:** RE: Your Director

Steve -

Thank you for your email and for your offer, but that would not help. I will let you know once we meet and I have an answer for you.

Thank you!  
Kelley

*Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

---

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Friday, July 24, 2009 8:34 AM  
**To:** Smith, Kelley  
**Cc:** Rolf Maurer  
**Subject:** Your Director

Kelly,

We know you are trying for us.

Would it help if we got one or more State of Florida legislators that support the project to call your Director asking that he find time to talk to you.

Steve

813-987-9728 (office)  
813-727-5521 (cell)

**E-mail message checked by Spyware Doctor (6.0.1.441)**  
**Database version: 6.12890**  
<http://www.pctools.com/spyware-doctor-antivirus/>

8/4/2009

**Smith, Kelley**

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**From:** Rolf Maurer [rem-hmi@worldnet.att.net]  
**Sent:** Friday, July 24, 2009 1:37 PM  
**To:** Smith, Kelley  
**Subject:** RE: Your Director

Steve,

Excellent move.... Of course Kelly and her boss/superior would not like legislators to get involved.... Rolf

---

**From:** Smith, Kelley [mailto:Kelley.Smith@eog.myflorida.com]  
**Sent:** Friday, July 24, 2009 8:07 AM  
**To:** Steve Segrest  
**Cc:** Rolf Maurer  
**Subject:** RE: Your Director

Steve –

Thank you for your email and for your offer, but that would not help. I will let you know once we meet and I have an answer for you.

Thank you!  
Kelley

*Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

---

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Friday, July 24, 2009 8:34 AM  
**To:** Smith, Kelley  
**Cc:** Rolf Maurer  
**Subject:** Your Director

Kelly,

We know you are trying for us.

Would it help if we got one or more State of Florida legislators that support the project to call your Director asking that he find time to talk to you.

Steve

8/14/2009

813-987-9728 (office)  
813-727-5521 (cell)

**E-mail message checked by Spyware Doctor (6.0.1.441)**

**Database version: 6.12890**

**<http://www.pctools.com/spyware-doctor-antivirus/>**

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 8.5.375 / Virus Database: 270.13.26/2257 - Release Date: 07/24/09 05:58:00

8/14/2009

**Smith, Kelley**

**From:** Smith, Kelley  
**Sent:** Wednesday, July 29, 2009 11:04 AM  
**To:** 'Steve Segrest'  
**Cc:** Rolf Maurer  
**Subject:** RE: Update?

Steve –

I can understand your frustration and believe me I am trying to get this resolved as soon as possible. I apologize for not being in touch sooner, but we had a couple of things come up in the office that needed our immediate attention and unfortunately that took my attention away from this. I was able to speak with my director. I explained the background on your grant with us and where you all stood today. I have to do some leg work with regard to the contract agreement to clarify a few things for him. I am in the process of doing this now and plan to meet with him via telephone (as he is out of town for the next few days). I am hoping to have the matter resolved by Friday if not sooner. I am sure that I have worn out your patience with me but I ask you to bear with me for the next couple of days in order to get this resolved. If you have any questions, please do not hesitate to contact me. I am accessible by email and by phone.

Thank you!  
 Kelley

*Respectfully,  
 Kelley L. Smith  
 Chief Analyst & Grant Manager  
 Governor Crist's Energy Office  
 Florida Energy & Climate Commission  
 The Holland Building  
 600 South Calhoun Street, Suite 251  
 Tallahassee, FL 32399  
 P: 850-487-4644  
 F: 850-922-9701*

---

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Wednesday, July 29, 2009 10:24 AM  
**To:** Smith, Kelley  
**Cc:** Rolf Maurer  
**Subject:** Update?

Kelley,

With FBEC partners having spent over \$200,000 of our own money working on this project and restricted in performing current needed work, I hope you can emphasize with us that this current situation of not having a modification to our current contract is causing a lot of stress.

Our understanding of what you've communicated to us is that your Director has just been too busy to even meet with you for now the last week and one-half.

I wish to be polite (its out of my nature not to be polite and bend over backwards to be understanding especially to your work schedule for the past 3 months), but something just doesn't seem to be right here. Could you pin your Director down for him to give you a firm date

8/4/2009

when he can talk to you (and let us know this date). If you believe it would be helpful for us to come to Tallahassee for this meeting, we of course want to do this.

It's the silence of "no apparent actions" that is causing so much stress with us.

Respectfully,  
Steve Segrest

813-987-9728 (office)  
813-727-5521 (cell)

**E-mail message checked by Spyware Doctor (6.0.1.441)**  
**Database version: 6.12930**  
<http://www.pctools.com/spyware-doctor-antivirus/>

## Smith, Kelley

---

**From:** Smith, Kelley  
**Sent:** Tuesday, August 04, 2009 5:07 PM  
**To:** 'Steve Segrest'  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** RE: YES

Oh I am sorry; I thought I had included that. The meeting will begin at 1:00pm.

---

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Tuesday, August 04, 2009 5:06 PM  
**To:** Smith, Kelley  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** Re: YES

Kelley,

What time does the meeting start on the 19th?  
Thanks,  
Steve

----- Original Message -----

**From:** Smith, Kelley  
**To:** Steve Segrest  
**Sent:** Tuesday, August 04, 2009 4:20 PM  
**Subject:** RE: YES

Steve -

The meeting time and place for the Florida Energy and Climate Commission is as follows:

Wednesday, August 19, 2009  
Toni Jennings Room 110, Senate Office Building  
404 South Monroe Street  
Tallahassee, FL 32399

As I stated I will be sending you an agenda as well as the background material we provide to the Commission concerning this matter next week.

If you have any questions, please do not hesitate to contact me.

Thank you!  
Kelley

*Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399*



P: 850-487-4644  
F: 850-922-9701

---

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Tuesday, August 04, 2009 1:51 PM  
**To:** Smith, Kelley  
**Cc:** Rolf Maurer  
**Subject:** YES

yes, 4 would be fine.  
Steve

----- Original Message -----

**From:** Smith, Kelley  
**To:** Steve Segrest  
**Cc:** Rolf Maurer  
**Sent:** Tuesday, August 04, 2009 12:09 PM  
**Subject:** RE: REPLY

Steve -

I have several meetings this afternoon so it would be later in the day, probably around 4pm. Will that work for you?

Kelley

*Respectfully,  
Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

---

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Tuesday, August 04, 2009 11:11 AM  
**To:** Smith, Kelley  
**Cc:** Rolf Maurer  
**Subject:** REPLY

This would be my top priority in scheduling my work day. Just tell me the time you want to call me at 813 987 9728.

Tx,  
Steve

----- Original Message -----

**From:** Smith, Kelley  
**To:** Steve Segrest  
**Sent:** Tuesday, August 04, 2009 9:17 AM  
**Subject:** Grant

Steve -

I need to schedule some time with you to talk about your grant. Do you have time late this afternoon or tomorrow? Please let me know what will work best for you.



Thank you!  
Kelley

*Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

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**Database version: 6.12970**  
<http://www.pctools.com/spyware-doctor-antivirus/>

**E-mail message checked by Spyware Doctor (6.0.1.441)**  
**Database version: 6.12970**  
<http://www.pctools.com/spyware-doctor-antivirus/>

**E-mail message checked by Spyware Doctor (6.0.1.441)**  
**Database version: 6.12970**  
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**Database version: 6.12970**  
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**E-mail message checked by Spyware Doctor (6.0.1.441)**  
**Database version: 6.12970**  
**<http://www.pctools.com/spyware-doctor-antivirus/>**

## Smith, Kelley

---

**From:** Smith, Kelley  
**Sent:** Wednesday, August 05, 2009 10:22 AM  
**To:** Slager, Bruce  
**Cc:** Mack, Alexander; Williams, Pam  
**Subject:** RE: Michael Ohlsen emails

Thank you Bruce and Pam!! ☺

Kelley

**From:** Slager, Bruce  
**Sent:** Wednesday, August 05, 2009 10:19 AM  
**To:** Smith, Kelley  
**Cc:** Mack, Alexander; Williams, Pam  
**Subject:** RE: Michael Ohlsen emails

Sure.

Pam, please pull his .pst and copy to her desktop. (Energy Office) Send her instructions for loading into outlook. Thanks.

---

**From:** Smith, Kelley  
**Sent:** Wednesday, August 05, 2009 10:16 AM  
**To:** Slager, Bruce  
**Cc:** Mack, Alexander  
**Subject:** Michael Ohlsen emails  
**Importance:** High

Bruce –

Is it possible to get a copy of Michael Ohlsen's emails? I have a copy of his files but I was not sure if I could get his emails or if you had a copy. If you do, I am looking for emails between Michael and Steve Segrest. Please let me know if it is possible to obtain a copy.

Thanks so much!

Kelley

**Smith, Kelley**

---

**From:** Smith, Kelley  
**Sent:** Friday, August 07, 2009 9:48 AM  
**To:** 'Steve Segrest'  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** RE: Quick Questions

Steve –

We are working on the agenda for the meeting now. It seems as though you will have 15 minutes for your presentation. I will confirm this time once the agenda has been finalized.

To answer your second question, I am hoping to have all of the items that we will present to the Commission concerning your grant ready to send out by Wednesday, August 12 at the very latest. I will be sending these items to you at the same time we send them to our commissioners.

The answer to question number three is no, we have not granted extensions to any of the grants that fall under the Renewable Energy and Energy-Efficient Technologies Grant Program, which your grant falls under. We have done extensions with other grants that are not funded through the state but funded through DOE or another federal source. And when we did those extensions we had to go through DOE or the administering agency to get approval to do the extension.

I hope that these answers help. Please let me know if you have any other questions.

Thank you!  
 Kelley

*Kelley L. Smith  
 Chief Analyst & Grant Manager  
 Governor Crist's Energy Office  
 Florida Energy & Climate Commission  
 The Holland Building  
 600 South Calhoun Street, Suite 251  
 Tallahassee, FL 32399  
 P: 850-487-4644  
 F: 850-922-9701*

---

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Friday, August 07, 2009 9:06 AM  
**To:** Smith, Kelley  
**Cc:** Richard Schroeder; Rolf Maurer  
**Subject:** Quick Questions

Hi Kelley,

I have three quick questions:

1. On the August 19th meeting with the Commission, how many minutes (approximately) would FBEC be given to present our arguments not to terminate?
2. How many days (again approximately) will we be able to see **in advance** of the meeting,

8/14/2009

the material that Jeremy will be presenting to the Commission?

3. Has the State of Florida Energy Office ever granted an extension to any project that your office has awarded? Just a simple yes or no answer is fine.

Thank you,  
Steve

813-987-9728 (office)  
813-727-5521 (cell)

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**Database version: 6.13000**  
**<http://www.pctools.com/spyware-doctor-antivirus/>**

**Smith, Kelley**

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**From:** Smith, Kelley  
**Sent:** Wednesday, August 12, 2009 4:13 PM  
**To:** 'Steve Segrest'  
**Subject:** Grant S0368  
**Importance:** High  
**Attachments:** S0368 FBEC Steve Segrest 08 12 09.pdf

Tracking:	Recipient	Delivery	Read
	'Steve Segrest'		
	Smith, Kelley	Delivered: 8/12/2009 4:13 PM	Read: 8/12/2009 4:14 PM

Mr. Segrest –

Attached, please find a formal letter from our Executive Director requesting your attendance and participation in the Florida Energy and Climate Commission meeting on August 19, 2009.

I will also be sending this letter to you in the mail.

I am waiting for the final agenda for the meeting and will pass that on to you as it becomes available.

The information packet regarding the possible termination of your grant that we will be providing to you and the Commission is in our internal review process. Once that process is complete I will be emailing that packet to you.

If you have any questions or if I may be of further assistance, please do not hesitate to contact me.

Thank you!

Kelley

*Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

8/14/2009



CHARLIE CRIST  
GOVERNOR

STATE OF FLORIDA

# Office of the Governor

THE CAPITOL  
TALLAHASSEE, FLORIDA 32399-0001

[www.flgov.com](http://www.flgov.com)  
850-488-7146  
850-487-0801 fax

August 12, 2009

Mr. Steve Segrest  
Florida Biomass Energy Consortium, LLC  
724 Argyle Place  
Temple Terrace, Florida 33617

Dear Mr. Segrest:

Per your previous conversation with Kelley Smith, this letter is to formally request your attendance at the Florida Energy and Climate Commission meeting on Wednesday, August 19, 2009. During this meeting, the Commission will review and discuss the staff recommendation that your grant agreement be terminated. We would like to give you the opportunity to speak to the Commission regarding this matter.

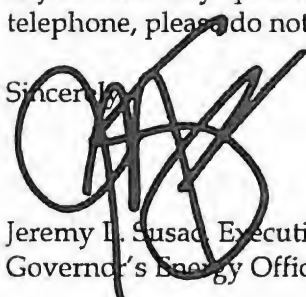
The location and time of the meeting are as follows:

Wednesday, August 19, 2009  
1:00pm until the completion of business  
Toni Jennings Room 110, Senate Office Building  
404 South Monroe Street  
Tallahassee, FL 32399

If you cannot attend in person, alternative arrangements can be made for your attendance via conference call.

If you have any questions or should you need assistance in participating in the meeting via telephone, please do not hesitate to contact Kelley Smith at 850-487-4644.

Sincerely,



Jeremy L. Susac, Executive Director  
Governor's Energy Office



**Smith, Kelley**

---

**From:** Smith, Kelley  
**Sent:** Thursday, August 13, 2009 1:33 PM  
**To:** 'Steve Segrest'  
**Subject:** Agenda for the August 19 Florida Energy and Climate Commission Meeting  
**Importance:** High  
**Attachments:** 8-19\_FECC\_Agenda[1].pdf

<b>Tracking:</b>	<b>Recipient</b>	<b>Delivery</b>	<b>Read</b>
	'Steve Segrest'		
	Smith, Kelley	Delivered: 8/13/2009 1:33 PM	Read: 8/13/2009 1:34 PM

Mr. Segrest –

Attached, please find the agenda for the Florida Energy and Climate Commission Meeting on August 19, 2009 at 1:00pm.

Please note that agenda item number VII will be where you will be presenting. Item VII is titled "Grant Portfolio and Solar Rebate Update."

As I stated in a previous email, you will have 15 minutes to make your presentation.

If you have any questions, please do not hesitate to contact me.

Thank you!  
Kelley

*Kelley L. Smith  
Chief Analyst & Grant Manager  
Governor Crist's Energy Office  
Florida Energy & Climate Commission  
The Holland Building  
600 South Calhoun Street, Suite 251  
Tallahassee, FL 32399  
P: 850-487-4644  
F: 850-922-9701*

8/14/2009



## MEETING OF THE FLORIDA ENERGY & CLIMATE COMMISSION

WEDNESDAY, AUGUST 19, 2009

1:00 PM UNTIL COMPLETION

TONI JENNINGS ROOM, 110 SENATE OFFICE BUILDING

404 SOUTH MONROE STREET

TALLAHASSEE, FL

DIAL-IN NUMBER: (866) 233-5216

CONFERENCE CODE: 5654699.

### Commissioners:

James F. Murley, Chair

John "JB" Clark

Nils J. Diaz

Howell L. Ferguson

Nicholas C. Gladding

Debra S. Harrison

Timothy T. Jackson

Kathy Baughman McLeod

Christian H. Poindexter

## AGENDA

- |   |  |            |
|---|--|------------|
| I. Opening Comments and Welcome   | Chairman Murley and Commission Members                       |            |
| II. Review and Approval of the August 19, 2009 FECC Agenda  |  |            |
| III. Review and Approval of the July 22, 2009 Meeting Minutes   |  |            |
| IV. Presentation on Cap and Trade Development in Florida  | Julie Ferris, Florida Department of Environmental Protection | 20 minutes |
| V. Presentation on the Florida Energy Efficiency and Conservation Act   | Rick Dixon, Florida Building Commission                      | 20 minutes |
| VI. Consideration of Post Hearing Comments for the Florida Energy Efficiency and Conservation Act                       | Jeremy L. Susac, Executive Director                          | 45 minutes |
| VII. Grant Portfolio and Solar Rebate Management Update   | Alexander Mack, Community Program Administrator              | 25 minutes |
| VIII. Consideration of the Mechanisms for Implementing the Spending Plan for the American Recovery and Reinvestment Act | Jeremy L. Susac, Executive Director                          | 25 minutes |
| IX. Public Comment Period   |  | 30 minutes |
| X. Closing Comments and Questions   |  |            |

### Additional Information

Staff will conduct the conference call from the Toni Jennings Room, 110 Senate Office Building, where members of the public are invited to attend. Members of the public are also invited to listen to the call, but due to noise considerations are asked to dial-in from a land line and keep their phone lines muted until the public comment section of the agenda. The dial-in number is (866) 233-5216 and the conference code is 5654699.

If further information or if an accommodation is needed for a disability (notification must be made within 48 hours of meeting date), please contact: Brittany Cummins with the Florida Energy & Climate Commission at (850) 487-3800.

**Smith, Kelley**

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**From:** Smith, Kelley  
**Sent:** Friday, August 14, 2009 9:58 AM  
**To:** 'Steve Segrest'  
**Cc:** Rolf Maurer; Tony Senagore; Chuck Ritley; Kieran Jennings  
**Subject:** RE: 2nd Request

Mr. Segrest –

As I stated in my email you on Wednesday, August 12 the information that I will be sending to the Commission is going through our internal review process. Unfortunately this process has taken a bit longer that I had intended. I will be sending you the information today as it relates to our arguments for termination of this grant.

*Respectfully,  
 Kelley L. Smith  
 Chief Analyst & Grant Manager  
 Governor Crist's Energy Office  
 Florida Energy & Climate Commission  
 The Holland Building  
 600 South Calhoun Street, Suite 251  
 Tallahassee, FL 32399  
 P: 850-487-4644  
 F: 850-922-9701*

---

**From:** Steve Segrest [mailto:ssegrest@earthlink.net]  
**Sent:** Friday, August 14, 2009 7:19 AM  
**To:** Smith, Kelley  
**Cc:** Rolf Maurer; Tony Senagore; Chuck Ritley; Kieran Jennings  
**Subject:** 2nd Request

Dear Ms. Smith,

On August 7th, I asked that you provide FBEC in advance with the information that your office will giving the Commission, recommending the termination of our contract. As I discussed with you, the basis of this request is fairness, that FBEC be able understand the basis and arguments that your office will make to the Commission on August 19th so that we can adequately prepare responses.

In an August 7th email, you responded as follows:

**"To answer your second question, I am hoping to have all of the items that we will present to the Commission concerning your grant ready to send out by Wednesday, August 12 at the very latest. I will be sending these items to you at the same time we send them to our commissioners."**

In your email to me of August 12th, you provided a letter that your office is sending to the Commission. In this letter, only the following was said: **"During this meeting, the Commission will review and discuss the staff recommendation that your grant agreement be terminated."**

I wish to again ask -- what are all the complete arguments that will be made to the Commission for termination?

Verbal responses to my question have been very vague only citing that Mr. Susac is

8/14/2009

concerned that FBEC can not meet a completion date of January 25th, 2010 (per our original contract). FBEC responded to this concern months ago through very detailed verbal and written correspondences, where we provided a detailed schedule timeline that the project could be completed with a 14 month extension. You responded that under Florida statute or policy, that only a 12 month extension could be granted. After review, FBEC informed you that if the existing contract could be amended in a timely manner (transferring the project to the Bartow ethanol facility) that work tasks could be completed with only a 12 month extension.

Respectfully,

Steve Segrest

813-987-9728 (office)

813-727-5521 (cell)

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**Database version: 6.13050**

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Charlie Crist  
Governor

Jeff Kottkamp  
Lt. Governor

**Commissioners**

James F. Murley,  
Chair

Kathy Baughman  
McLeod

John B. Clark

Nils J. Diaz

Howell L. Ferguson

Nicholas C.  
Gladding

Debra S. Harrison

Timothy T. Jackson

Christian H.  
Poindexter

**Executive Staff**

Jeremy L. Susac,  
Executive Director

*Dedicated to ensuring  
Floridians have a  
sustainable, diverse and  
clean energy portfolio that  
reduces greenhouse gases  
and benefits both Florida's  
economy and its  
unmatched environment.*

---

Florida Energy &  
Climate Commission  
Executive Office of the  
Governor  
600 S. Calhoun Street  
Suite 251  
Tallahassee, Florida  
32399  
850.487.3800  
850.922.9701 - fax  
[www.myfloridaclimate.com](http://www.myfloridaclimate.com)

Mr. Steve Segrest  
Florida Biomass Energy Consortium, LLC  
724 Argyle Place  
Temple Terrace, Florida 33617

August 19, 2009

Dear Mr. Segrest:

This letter serves as notice that the Florida Energy and Climate Commission intends to terminate Grant Agreement S0368 due to numerous unmet deliverables. Grant Agreement S0368, Section 7A, as amended, states, "[t]he Commission may terminate this Agreement at any time in the event of the failure of the Grantee to fulfill any of its obligations under this Agreement. Prior to termination, the Commission shall provide thirty (30) calendar days written notice of its intent to terminate and shall provide the Grantee an opportunity to consult with the Commission regarding the reason(s) for termination."

During review of Agreement S0368 "Using High Efficiency Biomass Gasification for Industrial Drying," Commission staff identified the following unmet deliverables as stipulated in Attachment A "Grant Work Plan" Grant Agreement S0368:

- Copy of signed agreement defining all terms and conditions regarding design, installation, operation and gas sales from facility to dryer air;
- Copy of signed agreement(s) for Engineering, Procurement, and Construction Contract;
- Copy of all site permits issued for installation and operation (Air, Water, Solid Waste, Environmental);
- Copy of integrated document identifying parameters;
- Copy of operations plan defining ash handling, storage and off-site delivery;
- Copy of design plan for the Bio-gasifier plant site in Jacksonville;
- Copy of design plan showing integration with C-G dryer operations;
- Copy of design plan identifying the hot bio-gas burner specifications to meet all requirements;
- Copy of bid package related to the equipment specifications and the gasifier vessel specifications;
- Copy of evaluation results and executed supplier/fabricator contract(s);
- Copy of bid package and evaluation, site preparation contract and site management plan;
- Copy of work plan and contracts for operations and maintenance of facility;
- Copy of long term sales agreement;
- Copy of design and operation plan;
- Copy of permits issued;

Mr. Segrest  
August 19, 2009  
Page 2

- Copy of biomass delivery plan which includes set up and start up; and List of opportunities and suppliers.

Commission staff has received your May 12, 2009 request for Grant amendment. From such request and our conversations with you, it appears that you are essentially asking to re-start permitting, design, fabrication and performance testing. We recognize that unforeseen events have adversely impacted the success of this Grant and we encourage you to reapply for a new grant with the revised scope of work during the next funding cycle.

Please contact me immediately to discuss the issues raised in this letter.

Sincerely,

Jeremy L. Susac, Executive Director  
Florida Energy and Climate Commission